



# *CITY COUNCIL*

## **Work Session**

***Work Session  
Penn Room***

***Tuesday, June 16, 2009  
7:00 P.M.***

- I. Call To Order** **7:00 p.m.**
- II. Managing Directors Report** **7:05 p.m.**
- III. Earth Day 2010** **7:10 p.m.**
- IV. Update - Rental Registration Process**
- V. Discussion Fee Increase Recommendations**
  - a. Review Ordinance amending Engineering Fees
  - b. Planning revenue at current rates - \$52,390 and revenue at the rate recommended by Maximus - \$168,131
  - c. Zoning revenue at current rates \$113,400. and revenue at the rate recommended by Maximus - \$157,330
  - d. Codes revenue at current rates \$262,452 and at the rate recommended by Maximus - \$1,349,188 (*NOTE: the Maximus report only considers the 3000 housing permits issued in 2007, not the approx 7000 permits that codes issued this year to date.*)
- VI. Review Business Priv. Tax Ordinance**  
**Discussion on adding revocation language**
- VIII. Adjourn**

**City of Reading**  
**City Council**  
**Work Session**  
**Monday, May 18, 2009**

**Councilors Attending:** V. Spencer, S. Fuhs, M. Goodman-Hinnershitz, D. Sterner, S. Marmarou, M. Baez, J. Waltman

**Others Attending:** L. Kelleher, C. Younger, R. Hottenstein, C. Geffken, M. Mayes, D. Wright, E. Cooper

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Mr. Spencer called the work session to order at 7:05 p.m.

**Managing Director's Report**

The Managing Director's Report was distributed to Council covering the following:

- Blue Ribbon Panel scheduled for Wednesday, May 21, 2009
- Unannounced DEP inspection of the waste water treatment plant which yielded positive results
- Succession of the City's program to rent miscellaneous equipment such as tables, chairs, hot dog grill, etc., to the public
- Update on allocation of the \$800,000 stimulus funds expected.
- Update on grant applications

Ms. Goodman-Hinnershitz inquired if the administration will share the DEP's written report with Council. Mr Hottenstein stated that the report will be supplied within a few days. Ms. Goodman-Hinnershitz inquired if the City could make the report available for community review. Mr. Hottenstein stated he is unsure if the report can be released publicly.

Mr. Fuhs congratulated the Reading Police Department for their recent sting at two massage parlors on Lancaster Avenue. Investigation showed that prostitution was occurring at these two locations. The businesses had zoning permits to operate as massage therapy businesses.

### **National Health Insurance Act**

Mr. Fuhs inquired why the state and federal issue was placed on the City's agenda. Mr. Spencer explained that in the past the City has adopted resolutions to support various state and federal legislation and also introduced federal and state issues for public education.

Ron Stouffer and Rosie Skomitz stated that they represent a state wide advocacy for national health care. They thanked Council for the opportunity to educate local officials and the public on this topic. They distributed educational materials on the issue. They noted that recently several Pennsylvania cities have adopted legislation to support Federal House Bill 6-76 along with State Senate House Bill 400 and State Representative House Bill 16-60. Mr. Stouffer explained the various changes to the current profit driven healthcare program. Ms. Skomitz explained the proposed single pay plan will still allow free choice, no co-pay and no caps on coverage. She stated that it is believed that this change in health care policy will reduce the use of local emergency rooms as primary care providers and will negate the need for Medicare as eligibility will be universal. It is also believed that this non-partisan bill will reduce the cost of employee healthcare for municipalities, businesses and employees. If the National Healthcare Act was in place, Reading's cost for healthcare would be reduced by five million dollars. They noted the assistance this will provide in closing the City's budget gap.

Mr. Fuhs inquired if any other countries provide a single pay program. Mr. Stouffer stated that he is unsure and noted that the advocacy group is focusing on Pennsylvania.

Mr. Fuhs stated that Canada and another republics currently have national healthcare. He noted the various disparities with the system used in Canada leading to long wait times before medical service is provided. He expressed the belief that consumers in Canada and the other republics are dissatisfied with the program in place. He inquired about the length of wait time for medical services in Canada. Mr. Stouffer read a prepared statement and the expected wait time in America.

Councilor Fuhs questioned President Obama's position on this issue. Ms. Skomitz expressed belief that President Obama will support national healthcare but will involve drug companies and other stake holders.

Councilor Fuhs expressed the belief that the resolution prepared will place the City in a lobbyist position. He expressed belief that the City of Reading should not be entering the lobbying area. He expressed the belief that this issue is labor based.

Ms. Goodman-Hinnershitz thanked Mr. Stouffer and Ms. Skomitz for their presentation. She expressed the belief that after further refinement, national healthcare will move forward

and benefit citizens. She stated that a study of the systems in Britain and Canada can assist the United States in developing a program that will be more efficient to consumers. She expressed her willingness to further review this issue in the future.

Mr. Sterner expressed the belief that government involvement in various areas has created vast inefficiencies. Ms. Skomitz noted the request for a cost study. Mr. Stouffer noted the belief that the national healthcare system will pull all users striving for reducing the cost of service together. They noted the endorsements from various states, counties and cities.

Mr. Fuhs expressed the belief that the City should entertain various view points on this issue.

Ms. Skomitz stated that Wyoming has adopted a universal healthcare plan. She stated that states across America can adopt modifications of the federally approved plan.

Mr. Waltman expressed his belief in national healthcare but noted the uncertainty about what the best model looks like and the plans for ultimate funding. He stated that he supports the concept with careful application. Ms. Skomitz stated that a model study has been prepared using several years' worth of information.

Mr. Waltman noted the many years citizens have been waiting for tax reform. He urged careful review and gradual implementation of national healthcare.

### **Rental Registration Process - Zoning**

Mr. Hottenstein stated that in the past Council received updates from Codes on the housing permit process. Tonights update will cover Zoning's participation in the housing permit process. Mr. Mayes distributed a handout covering the rental application process used by the zoning office and an outline showing the zoning permits issued for rental use as of April and May 2009. He described the work to streamline the application and approval process. He stated that to date 1,908 single home properties have received zoning permits for rental use and 1,821 multi-unit properties have received zoning permits for rental use. To date, a total of 3,729 rental use zoning permits have been issued.

Mr. Mayes described the efforts to improve the dialogue between Codes and Zoning. He described the plan to provide team building training which will foster better cooperation between the two departments. He also described various efforts to improve data collection and to improve the work process and flow.

Mr. Sterner noted that the numbers presented by Mr. Mayes do not correlate with the

numbers presented by Mr. Reinhart last month. He inquired how many un-permitted properties and number of rental units exists. Mr. Marmarou agreed that the Zoning report does not comply with the Codes report. He requested that the next report show both Zoning and Codes.

Ms. Goodman-Hinnershitz expressed the belief that illegal rental data compiled by the Council office is causing analysis paralysis in the Codes office.

Mr. Waltman noted that Council developed criteria to streamline the housing permit approval process. He stated that rental properties located in high-density residential areas that have had permits for five (5) consecutive years and rental properties located in low-density residential areas having housing permits for ten (10) consecutive years were to follow a streamlined process. He questioned the use of the criteria developed. Mr. Mayes stated that the contractor hired to cover the Zoning office, until a Zoning Administrator was hired, did not attend to the Zoning portion of the housing permit process.

Ms. Kelleher stated that to date, approximately six (6) out of the approximate 70 rental properties located between Hampden Blvd. and North 13<sup>th</sup> Street, between Marion and Union Street, have gone through the AHO process. She inquired when the Zoning office will be considering the remainder of those applications.

### **Fee Increase Recommendations**

Mr. Hottenstein stated that he and Ms. Kelleher have been meeting to review the recommendations in the Maximus Report and have prepared a sheet showing the recommended increases. He distributed a handout showing the current fees proposed by Maximus and the fees recommended by Mr. Hottenstein and Ms. Kelleher.

Mr. Waltman inquired if the housing permit fee considers only one inspection every three (3) to five (5) years. Mr. Hottenstein stated that the proposed fee contained a proration of a housing inspection every three (3) to five (5) years. Mr. Hottenstein explained why some fee areas should be subsidized by city tax payers and others need to be covered by users. Ms. Kelleher stated that the initial report distributed to Council did not contain fee recommendations for Zoning and Planning. She stated that in addition to the housing permit fee, these fees also jumped significantly. She stated that she and Mr. Hottenstein collected data showing the fees charged in other Berks County municipalities. The fees proposed by Maximus agree with that charged in other Berks municipalities.

Ms. Goodman-Hinnershitz suggested retaining the current Pagoda rental fee schedule until the foundation is in place. She also noted the need for the consideration of the condition of

the facilities when assigning a rental fee.

Mr. Marmarou inquired who controls the baseball fields at Angelica Park. Mr. Hottenstein stated that as Alvernia has paid for the rehabilitation and repair of these facilities Alvernia should control and collect the rental fees.

Councilor Marmarou questioned the continuation of the barricade rental program. He noted the various safety issues this could create when different neighborhoods hold block parties. Mr. Hottenstein stated that the registration fee for a block party can contain the cost of barricades.

Ms. Kelleher inquired how Council would like to proceed with the fee increase recommendations. She stated that Council could consider fee areas individually or consider the complete package. City Council requested that fee recommendations come for Council review in groups. Ms. Kelleher suggested that Mr. Hottenstein prepare an ordinance that will cover Public Works Engineering and Fire Special Services.

Mr. Spencer noted the recent *In Our Opinion* article in the newspaper claiming that the Maximus Report and various fee increases are Council driven. He stated that a cross study of this nature should be prepared every five (5) to eight (8) years. He noted that it has been at least 15 years since the City did a proper study of its fees and associated costs. He stated such studies of this nature help the public understand that the cost of various fees that cover the cost of programs.

Mr. Spencer reminded everyone of the following meetings in the last week in May:

- Wednesday, May 27<sup>th</sup> at 6 pm at St. Anthony's Church, regarding the Hazel Street tunnel.
- Properties of Merit program kickoff on Thursday, May 28<sup>th</sup> at the Sovereign Performing Arts Center at 7 pm.

*Respectfully submitted by Linda A. Kelleher CMC, City Clerk*

## **FOLLOW-UP ISSUES**

- Amendment to the Prop. Maintenance Code to allow ticketing system
- Update on the rental housing issue (Codes and Zoning)
- Business Privilege Tax Revocation
- Fee Increase Review (Maximus)
  - Fire

- Codes
  - Planning
  - Recreation
  - Zoning
- Copy of DEP report on WWTP

## **Proposed Changes to the Rental Inspections Program by Eric Weiss**

Date: February 3, 2009, based on our January 22, 2009 meeting  
Presented to City Council February 17, 2009

1. Enter property information into Hanson regarding placarded (tagged unfit) properties during January 2009. This will require follow-up inspections to be carried out over the following month for approximately 75 properties to verify use and occupancy along with enforcement actions as needed. All tagged unfit properties found to be occupied will be prioritized for enforcement until complied or vacated.
2. Create Divisions of responsibilities of staff by program or specialty, similar to divisions among the lines of business of a corporation. This specialization will improve effectiveness while allowing for adjustments to staffing in each division as needed during the year in order to address fluctuations in the workload. By February 1, 2009, deploy inspections staff as follows:
  - a. 6 rental health & safety inspectors
  - b. 4 complaints inspectors
  - c. 2 illegal use inspectors
  - d. 2 “floating” inspectors to respond to temporary workload increases
  - e. 1 inspector handling health inspections
3. By April 1, 2009, to resolve the Housing Permits backlog problem, issue Housing Permits to approximately 1,500 owners who have applied and have had zoning verified. Defer the requirements for BPL and housing inspections on these properties to resolve the backlog and to clear the path for the commencement of the 5 year systematic inspections cycle. These Permits should indicate the conditions of issuance, that is: must be inspected, must comply with BPL requirements, etc.
4. Begin the 5-year, systematic rental inspections cycle by separating the Magisterial Districts into 5 one-year (2009 through 2013) geographic rental inspections areas. The number of rental dwelling units for inspection should be approximately equated each year and care should be taken not to overload challenging Districts into one year. This establishes goals and timetables with achievement expectations for administration, elected officials, staff, property owners and the general public and will transform the current reactive efforts into a proactive, mission-driven systematic process.
5. By June 30, 2009, to resolve the Rental Unit Invoices backlog, make the necessary ordinance amendments to establish a Registration provision for qualified rental units in chapter 11- Housing Rental. Registered Rental Units will be units documented by the City and based on the owner’s application and payment of a yearly fee. A unit will remain Registered, providing the yearly fee is paid, until a Rental Permit is issued when the unit is brought into compliance with all requirements in Chapter 11 following inspection during the five (5) year inspections cycle. The Registration does not



warrant the zoning, safety, condition or habitability of these units. It merely documents the owner's application for inclusion of the units(s) in Reading's Rental Unit Permitting process.

In resolving the invoice backlog, the 2008 and 2009 Rental Unit Invoices for units that are in compliance should be sent as Rental Permit Fee invoices. Rental units for which compliance is pending or units that have not been brought into compliance with the Rental Housing Ordinance requirements, should have 2008 and 2009 invoices sent as Rental Registration Fee invoices.

2007 Rental Fee Invoices, already in progress, can remain as Rental Permit Fee Invoices.

This will bring the rental billing cycle current without mandating all units be in compliance with all requirements while allowing Registered Units to remain Registered until they are included in the five (5) year inspection cycle and achieve their Rental Permit.

6. List all permitted rental units on a Master Rental Permit posted in a common area (lobby) of every rental property. The permit will list all legal units identifying them by number or letter or location (example: 2<sup>nd</sup> floor rear). This will document the permitted allowable rental units in every rental building at an accessible location open to public view.

#### Additional Programmatic Changes:

1. By April 1, 2009 institute Sweep Ticketing Program. Sweep Ordinance is being revised to include all anticipated violations to be addressed by the ticketing process. The process initially will be by standard ticket book issuance similar to the Allentown Program. Potential benefits to using hand-held computers for ticketing will be looked into. Consortium of Code Officials in Reading, Allentown, Bethlehem and Easton has been formed and will best practice solutions, including the Sweep Ticketing Program, to common code problems among the cities.
2. By January 2009 decide on, measure staff size requirements, purchase and issue uniforms to inspectors. The inspectors "uniforms" will be khaki pants and a button down shirt rather than either a more law enforcement officer or a more maintenance worker style uniform. Projected first day for uniforms to be worn is the middle of February.
3. Zoning files are the City's official record of a property's legal allowable use. Having clear, complete, official municipal records of every property's allowable use is essential to a City's success by several measures. It is recommended that a sufficient number of staff be assigned to investigate and resolve issues of allowable uses for properties in rental inspections yearly geographic workload prior to

inspections. Consider fee increases for rental housing permits and/or zoning applications to cover additional staff to verify allowable use and to gain compliance of zoning violations. Maximus Company is evaluating Reading's fee structure. We can review the Maximus draft when it is ready.

Additional note:

Look into the optimal use of State Act 97 by putting a procedure in place to have fire inspectors gather fire insurance coverage information at every fire response and transfer this information to a program coordinator who will assure that insurance providers adhere to the provisions of Act 97 by escrowing with the City Treasurer the required portion of the insurance proceeds. Compliance signed off by the Building Inspections staff when the CO is issued following building restoration should be required prior to release of these funds to the owner/insured. If the owner/insured balks or fails to restore the building, the City should proceed to use the escrowed funds for the repairs. If no insurance is in place at the time of the fire, public nuisance abatement procedures using public funds should be employed to repair the building damage to at least a condition that will not allow further deterioration nor negatively impact surrounding properties. Code enforcement action, blighted property review procedures or municipal lien execution should follow until the fire damaged building is restored.

BILL NO. \_\_\_\_\_

**AN ORDINANCE**

**AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF READING, BERKS COUNTY, PENNSYLVANIA, FEE SCHEDULE, ADMINISTRATIVE FEES, PUBLIC WORKS ENGINEERING FEES.**

**THE CITY OF READING HEREBY ORDAINS AS FOLLOWS:**

**SECTION 1:** The Code of Ordinances of the City of Reading, Berks County, Pennsylvania, Fee Schedule, Administrative Fees, Public Works Engineering Fees shall be and is hereby amended and shall hereafter be set forth as shown in Exhibit A attached hereto and made a part here.

**SECTION 2:** All other items, parts, sections, etc. of the Code of Ordinances of the City of Reading, Berks County, Pennsylvania, which are contrary to the amended chart attached as Exhibit A are hereby repealed; otherwise all other parts, sections, etc. of said Code and Chapter shall remain in effect unchanged and likewise are ratified.

**SECTION 3:** This ordinance shall be effective ten (10) days after its adoption and approval by the Mayor, in accordance with Section 219 of the City of Reading Home Rule Charter.

Enacted \_\_\_\_\_, 2009

\_\_\_\_\_  
President of Council

Attest:

\_\_\_\_\_  
City Clerk

Submitted to Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

Received by the Mayor's Office: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

Vetoed by Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**

Department	Division	Item	Item	Current	New
Public Works	Engineering	Curb Permit	0-24'	\$120	\$250
Public Works	Engineering	Curb Permit	25-49'	\$135	\$300
Public Works	Engineering	Curb Permit	50-99'	\$150	\$350
Public Works	Engineering	Building Line Survey	0-49'	\$75	\$200
Public	Engineering	Building Line	50-99'	\$100	\$250

Works		Survey			
Public Works	Engineering	Street Cut Permit	0-5 sq yard	\$140	\$150
Public Works	Engineering	Street Cut Permit	5 + sq yard, per additional yard	\$110	\$120
Public Works	Engineering	Street Restoration	1' by 15'	\$16	\$35
Public Works	Engineering	Street Restoration	2' by 15'	\$32	\$70
Public Works	Engineering	Driveway Permit	Residential	\$100	\$400
Public Works	Engineering	Driveway Permit	Commercial	\$200	\$450
Public Works	Engineering	Driveway Reconstruction		\$50	\$50
Public Works	Engineering	Sidewalk Occupancy		\$20	\$50
Public Works	Engineering	Sidewalk Vault		\$50	\$80
Public Works	Engineering	Sidewalk Repair Construction	Permit	\$35	\$80
Public Works	Engineering	Handicap	Permit	\$0	
Public Works	Engineering	Pole Fee	Permit	\$30	\$80
*Note fee now includes inspection costs					
Public Works	Engineering	Pole Fee Penalty		\$1000 + costs	\$1000 + costs

## **PART 5**

### **BUSINESS PRIVILEGE TAX**

#### **A. Business Privilege Tax Ordinance**

##### **§24-501. Short Title.**

This Part shall be known as the "Business Privilege Tax Ordinance."

(Ord 52-1975, 12/3/1975, §I)

#### **§24-502. Definitions.**

As used in this Part, certain terms are defined as follows except where the context clearly indicates a different meaning:

**BUSINESS** - any activity carried on or exercised for gain or profit in the City including, but not limited to, the sale of merchandise or other tangible personalty or the performance of services and the rental of personalty and/or realty.

**CALENDAR YEAR** - the period January 1 to December 31, inclusive.

**CITY** - the City of Reading.

**LICENSE YEAR** - the period from January 1 to December 31, inclusive.

**PERSON** - any individual, partnership, limited partnership, association, firm or corporation. Whenever used in any clause prescribing or imposing a penalty, the term "person" as applied to associations shall mean the partners or members thereof, and as applied to corporations, the officers thereof.

**TAXPAYER** - a person subject to the payment of the tax imposed by this Part.

**TAX MANAGER** - the person duly appointed by Council to administer the tax.

**TAX YEAR** - the period from January 1 to December 31, inclusive.

**TREASURER** - the Director of Finance of the City of Reading.

**WHOLESALE DEALER or WHOLESALE VENDOR** - any person who sells to dealers in or vendors of goods, wares and merchandise and to no other person.

(*Ord 52-1975, 12/3/1975, §II; as amended by Ord. 14-2001, 5/29/2001*)

#### **§24-503. Tax Levied; Rate; Business Volume Computed; Exemptions.**

There is hereby levied for the tax year 1976 and annually thereafter a tax for general revenue

purposes on the privilege of doing business as herein defined in the City as follows:

**A. Rate and Basis of Tax.** The rate of the tax on each dollar volume of gross annual receipts of every person engaged in occupations or business in the City shall be 1½ mills, 1½ mills shall mean \$1.50 per \$1,000 volume of gross annual receipts, except that the rate of the tax on each dollar volume of gross annual receipts by wholesale dealers or wholesale vendors engaged in business in the City shall be 1 mill. All nonwholesale businesses of such wholesale dealers or wholesale vendors shall be taxed at the general rate of 1½ mills. [*Ord. 10-2007*]

#### **B. Computation of Volume of Business.**

(1) Every person subject to the payment of the tax hereby imposed who has commenced his business prior to the full calendar year prior to the tax year shall compute his annual estimated gross volume of business upon the actual gross amount of business transacted by him during the immediately preceding calendar year.

(2) Every person subject to the payment of the tax hereby imposed who has commenced or who commences his business before the beginning of the tax year but after the beginning of the full calendar year prior to the tax year, shall compute his estimated annual gross volume of business for the tax year upon the gross volume of business transacted by him during prior calendar year, taking the monthly average during such period and

multiplying the same by 12. In the event that he shall be in business fewer than 90 days in the prior calendar year, he shall be permitted to use sufficient days in calendar year in which the tax year begins to equal 90 successive days after commencement of business, to take a monthly average thereon, and to multiply the average by 12.

(3) Every person subject to the payment of the tax hereby imposed who has commenced or commences his business subsequent to the beginning of the tax year, if there shall be less than 3 months from the commencement of his business to the end of the tax year, shall compute his annual gross volume of business upon the actual gross amount of business transacted by him during the tax year; if there shall be more than 3 months from the commencement of his business to the end of the tax year he shall compute his estimated gross volume of business for such tax year upon the gross volume of business transacted by him during the period from the commencement of his business to the end of the tax year, taking the monthly average during the first 3 months of business and multiplying the same by the number of months from the commencement of business to the end of the tax year.

(4) Every person subject to the payment of the tax hereby imposed who engages in a business temporary, seasonal or itinerant by nature, shall compute his estimated gross amount of business to be transacted by him for the period such person engages in such temporary, seasonal or itinerant business within the City by a method to be determined by the Tax Manager.

(5) The Tax Manager is hereby authorized to accept payment under protest of the amount of business privilege tax claimed by the City in any case where the taxpayer disputes the validity or amount of the City's claim for tax. If it is thereafter judicially determined by a court of competent jurisdiction that the City has been overpaid, the amount of the overpayment shall be refunded to the taxpayer. The provisions of this section shall be applicable to cases in which the facts are similar to those in a case litigated in a court of competent jurisdiction.

(6) Payments made under the mercantile license tax for business to which this tax is applicable shall be credited to this tax and vice versa.

#### **C. Persons, Business and Receipts Exempted.**

(1) **Persons and Businesses.** Persons employed for a wage or salary, nonprofit corporations or associations organized for religious, charitable or educational purposes, agencies of the government of the United States or of the Commonwealth of Pennsylvania and the business of any political subdivision, or of any authority created or organized under and pursuant to any act of assembly are exempt from the provisions of this Part.

(2) No such tax shall be assessed and collected on a privilege, transaction, subject, or occupation which is subject to a State tax or license fee, and which tax or license fee has been held by the Courts of Pennsylvania to be

the basis for exemption from the imposition of a business privilege tax by a municipality.

(3) **Utilities.** No such tax shall be assessed and collected on the gross receipts from utility service of any person or company whose rates of service are fixed and regulated by the Pennsylvania Public Utility Commission; or on any public utility service rendered by any such person or company or on any privilege or transaction involving the rendering of any such public utility service.

(4) **State Tax on Tangible Property.** No such tax shall be assessed and collected on the privilege of employing such tangible property as is subject to a State tax except on sales of admission to places of amusement or on sales or other transfers of title or possession of property.

(5) **Production and Manufacture.** No such tax shall be assessed and collected on goods, articles and products, or on by-products of manufacture, or on minerals, timber, natural resources and farm products manufactured, produced or grown in the City, or on the preparation or processing thereof for use or market, or on any privilege, act or transaction relating to the business of manufacturing, the production, preparation or processing of minerals, timber and natural resources or farm products, by manufacturers, producers and farmers with respect to the goods, articles and products of their own manufacture, production or growth or any privilege, act or transaction relating to the business of processing by-products of manufacture or on the transportation, loading, unloading, dumping or storage of such goods, articles, products or by-products.

**D. Determination of Gross or Whole Volume Business.** Gross or whole volume of business upon which the tax hereunder is computed shall include the gross consideration credited or received for or on account of sales made, rentals and/or services rendered, subject only to the following allowable deductions and exemptions:

(1) The dollar volume of business transacted by wholesale and retail dealers derived from the resale of goods, wares and merchandise taken by any dealer as trade-in or as part payment for other goods, wares and merchandise, except to the extent that the resale price exceeds the trade-in allowance.

(2) Refunds, credits or allowances given by a taxpayer to a purchaser on account of defects in goods, wares or merchandise sold, or on account of goods, wares or merchandise returned.

(3) Any commissions paid by a broker to another broker on account of a purchase or sales contract initiated, executed or cleared with such other broker.

(4) Bad debts, where the deduction is also taken in the same year for Federal income taxation purposes.

(5) Taxes collected as agent for the United States of America, Commonwealth

of Pennsylvania or the City.

**E. Partial Exemptions.** Where gross or whole volume of business in its entirety cannot be subjected to the tax imposed by this Part by reason of the provisions of the Constitution of the United States or any other provision law, the Tax Manager with the approval of Council shall establish rules and regulations and methods of allocation and evaluation so that only that part of the gross or whole volume of business which is properly attributable and allowable to doing business in the City shall be taxed hereunder.

**F. Rate When Same Tax is Imposed by Two Taxing Bodies.** If any person is liable for the same tax on the same subject imposed under the Local Tax Enabling Act 1965, December 31, P.L. 1257 and its amendments, to the City and one or more political subdivisions of the State, then and in that event the tax shall be apportioned by such percentage as may be agreed upon by such political subdivisions, but, in no event, shall the combined taxes of both subdivisions exceed a maximum rate of tax as fixed by the Enabling Act permitting the imposition of such taxes.

**G. Records.** The taxpayer, to obtain the foregoing enumerated exclusions and deductions, shall keep books and records of his business so as to show clearly, accurately and separately the amount of such sales and services as are excluded from the tax and the amounts of such sales and services which he is entitled to deduct from the gross volume of business as hereinbefore provided.

*(Ord 52-1975, 12/3/1975, §III; as amended by Ord. 14-2001, 5//29/2001; and by Ord. 10-2007,*

*1/22/2007, §1)*

**§24-504. Returns; Payment; Interest Penalty.**

1. Every return shall be made upon a form furnished by the Tax Manager. Every person making a return shall certify the correctness thereof by affidavit.
2. Every person subject to the tax imposed by this Part who commenced his business on or before January 1 of the full calendar year previous to the beginning of any tax year shall on or before February 15 of the tax year file with the Tax Manager a return setting forth his name, his business, business address and such other information as may be necessary in arriving at the actual gross amount of business transacted by him during the preceding calendar year, and the amount of the tax due.
3. Every person subject to the tax imposed by this Part who has commenced his business before the beginning of the tax year but after January 1 of the full calendar year previous to the beginning of the tax year shall on or before February 15 of the tax year file with the Tax Manager a return setting forth his name, his business, business address and such other information as may be necessary in arriving at the estimated gross amount of business transacted by him as calculated under §24-503(B)(2) and the amount of tax due, provided 100 days have elapsed from the commencement of the business to February 15 of the tax year. If a taxpayer has not been in business for 100 days as of February 15 of the tax year, whether or not he commenced business within the tax year, his return shall be filed within 100 days of the commencement of his business.



4. Every person subject to the payment of the tax imposed by this Part who engages in a business temporary, seasonal or itinerant by its nature shall at the time application is made for the business privilege license file a return with the Tax Manager setting forth his name, his business, his business address and such information as may be necessary in arriving at the estimated gross amount of business to be transacted by him as calculated in accordance with §24-503(B)(4).

5. **Going Out of Business.** Any person going out of or ceasing to do business shall, within 7 days from the date of ceasing to do business, file a return showing the actual gross volume of business conducted and done by such person during the tax year in which such person ceased doing business, and pay the tax due as computed thereon at the rate herein provided for at the time of filing such return. If such tax has been previously paid based upon estimated gross receipts, the taxpayer shall be entitled to a refund, without interest, of any excess tax paid for the tax year in which business was terminated.

6. **Payment of Tax and Penalties for Late Payment.** The business privilege tax levied pursuant to this Part shall be due and payable on the date on which the taxpayer is required to file a return as set forth above. If the tax is paid within two months after the due date a discount of 2% shall be allowed. All taxpayers who shall fail to pay the tax for 4 months after the due date, shall be charged a penalty of 10% plus an additional 1% per month or fractional part of a month, commencing with the penalty period, until the tax is paid. [*Ord. 49-1976*]

7. **Receipt.** The City Director of Finance shall, upon payment to him of the business privilege tax, give the person paying the same a receipt therefor.

(*Ord. 52-1975, 12/3/1975, §VI; as amended by Ord. 49-1976, 12/22/1976, §§1-4; and by Ord. 14-2001, 5/29/2001*).

#### **§24-505. License.**

As of January 1, 2003, any person desiring to conduct or to continue to conduct any business,

as herein defined, within the City shall file with the Tax Administration Manager, an application for a business privilege license and shall pay a fee of \$35 for the initial license and

\$35 for each renewal thereof. EXCEPT, that any person with whole or gross volume of business

transacted within the territorial limits of the City less than \$600 for any given year shall pay a

fee of \$15.

(*Ord. 52-1975, 12/3/1975, §V; as amended by Ord. 96-1986, 12/10/1986, §1; by Ord. 26-1997, 11/24/1997, §1; and by Ord. 67-2002, 12/9/2002, §1*)

#### **§24-506. Posting Licenses.**

The license issued shall be conspicuously posted in the place of business for which the license is issued, and shall remain in effect for the license year or fraction of year for which such license was issued. In cases where more than one place of business is conducted, a separate license shall be issued for each place of business. Any taxpayer who is in default in payment of tax due

hereunder shall be refused a license until such tax is paid in full.

(*Ord. 52-1975, 12/3/1975, §VI*)

**§24-507. Penalty.**

1. Whoever conducts, transacts or engages in any of the businesses subject to the tax imposed by this Part, without having first secured a business privilege license for the year, or who fails to file a tax return as required by the provisions of this Part or who willfully files a false return, or who fails to maintain such records and books of account as shall enable him to make a true and correct return in accordance with the provisions of this Part, or any person or persons subject to, or supposed to be subject to, the tax imposed by this Part who refuses to allow the Tax Manager or his deputies to examine the books, papers and records of any such person or persons or who fails to comply with any other provisions of this Part shall be, upon conviction thereof, sentenced to pay a fine of not more than \$600 plus costs and, in default of payment of said fine and costs, to a term of imprisonment not to exceed 30 days.

2. Each day on which such person violated this Part may be considered as a separate offense and punishable as such as aforeprovided.

(*Ord. 52-1975, 12/3/1975, §VII & VIII; as amended by Ord. 53-1984, 6/20/1984, §1; and by Ord. 14-2001, 5/29/2001*)

**§24-508. Duties of Tax Manager and City Director of Finance.**

1. The City Director of Finance is charged with the duties of collecting and receiving the taxes, fines and penalties imposed by this Part. It shall be his duty to keep a record showing the amount received by him from each person paying the tax and the date of such receipt.

2. The Tax Manager and his duly appointed deputies under the direction of the Director of Accounts and Finance are hereby empowered with the approval of Council to prescribe, adopt and promulgate rules and regulations relating to any matter pertaining to the administration and enforcement of this Part, including provisions for the examination and correction of returns and payments alleged or found to be incorrect, or as to which an overpayment is claimed or found to have occurred, and charged with enforcing the provisions of this Part and any rules and/or regulations promulgated pursuant hereto.

3. In the event the person to be assessed neglects or refuses to make a return, then in such case the Tax Manager or his duly appointed deputies shall assess such person or persons on such an amount of whole or gross volume of business as the Tax Manager or his deputies deem reasonable and appropriate. In all cases of assessment, the Tax Manager or his duly appointed deputies shall give the parties assessed a notice in which shall be stated the trade, business, occupation or class, and the amount of the business privilege tax imposed or levied.

4. The taxpayer shall maintain such records and books of account as shall enable him to make a true and accurate return in accordance with the provisions of this Part. Such accounts and records shall disclose in detail the gross receipts and other data pertaining to the taxpayer's gross volume of business, and shall be sufficiently complete to enable the Tax Manager or his deputies to verify all transactions. The Tax Manager or his deputies are hereby authorized to examine the books, papers and records of any person or persons subject to or supposed to be subject to the tax imposed by this Part, in order to verify the accuracy of the return made, or if no return was made, ascertain the tax due.

5. Any person aggrieved by any decision of the Tax Manager shall have the right to appeal to the Court of Common Pleas, as in other cases.

(*Ord. 52-1975, 12/3/1975, §IX; as amended by Ord. 14-2001, 5/29/2001*)

**§24-509. Confidential nature of Information.**

Any information gained by the Tax Manager or any other official, agent or employee of the City, as a result of any returns, investigations, hearings or verifications required or authorized by this Part, shall be confidential, except in accordance with proper judicial order or as otherwise provided by law.

(*Ord. 52-1975, 12/3/1975, §X; as amended by Ord. 14-2001, 5/29/2001*)

**§24-510. Suit on Collection; Costs.**

1. The Tax Manager or his duly appointed deputies shall have the power in the name of the City to institute proceedings against any and all persons who violate the provisions of this Part.

2. If for any reason the tax is not paid when due and suit is brought for the recovery of any such tax, the person liable therefor, shall, in addition, be liable for the costs of collection and interest and penalties herein imposed.

(*Ord. 52-1975, 12/3/1975, §XI; as amended by Ord. 14-2001, 5/29/2001*)

**§24-511. Savings Clause; Separability.**

1. Nothing contained in this Part shall be construed to empower the City to levy and collect the taxes hereby imposed on any person, or any business, or any portion of any business not within the taxing power of the City under the Constitution of the United States and the laws and Constitution of the Commonwealth of Pennsylvania.

2. If the tax, or any portion thereof, imposed upon any person under the provisions of this Part shall be held by any court of competent power or jurisdiction to be in violation of the Constitution of the United States or of the Commonwealth of Pennsylvania or any other provision of the law, the decisions of the court shall not affect or impair the right to impose the taxes, or the validity of the taxes so imposed upon other persons as herein provided.

3. The provisions of this Part are severable, and if any of its provisions shall be held illegal, invalid or unconstitutional, the decision of the court shall not affect or impair any of the remaining provisions of this Part. It is hereby declared to be the intention of Council that this Part would have been adopted if such illegal, invalid or unconstitutional provisions had not been included herein.

(*Ord. 52-1975, 12/3/1975, §XII*)